Budget and Performance Committee – 8 March 2016

Transcript of Agenda Item 6

Transport for London Investment Decision Making and the New Routemaster Bus

Mayor John Biggs AM (Chairman): Now we move on to item 6 on Transport for London (TfL) investment decision-making and the New Routemaster bus. We have Leon Daniels and Mike Weston. We should welcome our two guests, yes. It is very nice to have you here.

We should start by quizzing Mr Daniels on his statement that there were no plans for TfL to order new buses. We seem to have ordered another 1,000. That is slightly different to having no plans. What has changed since September 2015 - no, not another 1,000; another 200 - when you told us that TfL had no plans to purchase additional buses?

Leon Daniels (Managing Director - Surface Transport, Transport for London): On 5 September 2015, which is when I was before you last, truthfully, there were no plans to order any further New Routemasters.

Two things happened towards the end of 2015. One was that - as I told you last time - the Mayor had called all of the suppliers in the UK bus market together for a session in which he had said to them that he wanted them to incorporate all of the successful features, the design features, the passenger features, all of the good things, in the New Routemaster --

Mayor John Biggs AM (Chairman): That would not take long, would it?

Leon Daniels (Managing Director - Surface Transport, Transport for London): -- in their next design of products for the London market. They took him at his word and at the end of last year we learned two things. Firstly, we learned that two manufacturers - Alexander Dennis (ADL) and Wrights - were bringing into the market a London-specific double-decker, which has even more new features and green credentials, and that that market was likely to be mature in 2017. That would mean that operators that were awarded contracts for new vehicles could buy either of those two types in the normal way from the manufacturers. They would have, as I said, some of the design cues from the New Routemaster and some of the other features that have made it popular, but they would be bought by the private sector in the normal way through the normal contract award and procurement process.

Mayor John Biggs AM (Chairman): They would be incorporating these features in a way that would be transferable to other cities? The problem with the Routemaster is that there is not a ready market elsewhere.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Yes, as was the case with the original Routemaster in 1955, of course. Taking into account that those products would be in a competitive and mature market in due course, there was a strong feeling that the right thing to do to bridge the gap until those products were mature in the market was to place a further order for New Routemasters in order, if you like, to get us to the point when those products would be available.

The second thing that happened, as you probably know, is that the Government announced late last year a Buses Bill, which has the effect of devolving much more power to, in particular, the metropolitan counties for the provision of buses services in their areas. The Government announced that Bill late last year, but in fact the Bill itself is yet to be published. In the UK industry, there is quite a lot of disquiet about it because, as ever, there is uncertainty. The Government has said what it is going to do but the details of the provisions are not yet available. That has caused the major transport PLCs (public limited companies) in the UK and the major transport providers to hold off placing new orders for buses in the rest of the country until they have more visibility about what the future is likely to be for bus services in their areas. That has created softness in the manufacturing market.

Therefore, a combination of what appeared to us to be a reasonable move to bridge the gap between now and when the new products are available and a softness in the market allowed us to get into a position where, with the existing supplier rights and inside the procurement authority for 1,000 vehicles that is already held, we could secure another couple of hundred New Routemasters identical to the existing ones for the lowest price that we have been able to secure at all during this production run: £319,000 per vehicle. That is just a small number of thousands more expensive than a traditional, typical, standard hybrid. Also, we were able to negotiate a further discount on the last 100 of the previous order. The softness in the market has given us a supersonic price, it has given us a discount on some vehicles that were previously ordered and it takes us to a position where, as the thousandth of these vehicles is delivered, operators will be able to buy for themselves one of at least two sorts of the 'Son of New Routemaster' through the normal procurement process.

Mayor John Biggs AM (Chairman): We understand that initially the proposal was that an additional 30 be procured and I do not know whether this was an act of strategic commissioning or an act of charity to try to keep the production line going.

Leon Daniels (Managing Director - Surface Transport, Transport for London): No, it was more commercial than that, John. What actually happened was that this was all taking place at the end of last year, fast approaching the whole Christmas/New Year shutdown of the supply chain. We were in the middle of discussions. The last thing you ever want to do when you are in any form of commercial negotiations is to back yourself up against a time by which something has to be done because you lose your competitive advantage. Therefore, our original plan was to seek authority for 30. The order for 30 had the effect of keeping the supply chain going and production going whilst we still continued to have the negotiations for a larger batch. If production had ceased, then we would never have got the £319,000 unit price for the production that we did secure because, once production lines cease not only at Wrights but at all the sub-assemblies right the way across the country, actually restarting them is more expensive. The order for 30 was a device by which we were able to give a signal to the supply chain that there were more orders to keep the production of all of the materials for the New Routemaster going - everything from engines and flooring to seats, destination equipment and so on - whilst we continued the negotiations and got across the Christmas/New Year shutdown that affected everybody. What you will have seen is us going to our Finance and Policy Committee with a recommendation for 30 and, by the time we got to the full TfL Board meeting that followed that, we had got the commercial negotiations into a position where we could go for 195, which includes the 30, which takes us to the 1,000.

Mayor John Biggs AM (Chairman): It is almost as if the chronology is that you said, "We want to build 30", and the committee said, "Why not do 195?" You are saying that in the meantime there had been a negotiation that had achieved such a good price that you would have been stupid not to have accepted it?

Leon Daniels (Managing Director - Surface Transport, Transport for London): That is nearly what I said.

Mayor John Biggs AM (Chairman): That is pretty good.

Leon Daniels (Managing Director - Surface Transport, Transport for London): What I said was that an order for 30 sent a signal to the supply chain that kept the production going. I do not just mean the Wrights production line; I mean all the sub-assemblies that run right the way up to engines and gearboxes and so on. Actually, they do not have gearboxes; they have electric motors, but the same thing. In the period between the Finance and Policy Committee meeting and the full TfL Board meeting, we had got the commercial negotiations into a place where we could order --

Mayor John Biggs AM (Chairman): If I can check something else that you might have almost said, then, one of the reasons why other people do not buy this is because it is too long for the wiggly streets of small suburban towns - to paraphrase - and so, if they had stopped producing it, they would not have cranked up a new production line for the same thing.

Leon Daniels (Managing Director - Surface Transport, Transport for London): If the production line had closed, it is my belief that the production line would have closed permanently because what there is not a market for outside London is a three-door, two-staircase double-decker bus because, as you know, in London we carry more than 50% of England's bus passengers and the demand for rapid boarding and unloading that three doors and two staircases gives is not in demand outside London.

Mayor John Biggs AM (Chairman): There is also the wheelbase issue, is there not?

Leon Daniels (Managing Director - Surface Transport, Transport for London): That is, if I may say so --

Mayor John Biggs AM (Chairman): A secondary issue?

Leon Daniels (Managing Director - Surface Transport, Transport for London): -- very secondary because, in fact, there is a short version of the New Routemaster. The thing is modular and so it is perfectly possible to have a shorter one.

Mayor John Biggs AM (Chairman): It is not made by Short Brothers, is it?

Leon Daniels (Managing Director - Surface Transport, Transport for London): In Northern Ireland, that would be historically wonderful --

Mayor John Biggs AM (Chairman): It would be, yes.

Leon Daniels (Managing Director - Surface Transport, Transport for London): -- even since the Chief Executive of Wrightbus previously worked for Short Brothers in Northern Ireland.

Mayor John Biggs AM (Chairman): There we are, yes. They all have monosyllabic names, then, apart from Mr Bombardier, of course! Anyway, I digress. Just to clarify, how many New Routemaster buses has TfL committed to buy and when will they be delivered?

Leon Daniels (Managing Director - Surface Transport, Transport for London): We have committed to buy a further 195. That production will continue off the end of the current production, which would have ceased in a few months' time. The order will run on into the summer of 2017.

Mayor John Biggs AM (Chairman): All right, and 195 is the magic number that when added to the 805 already achieves 1,000?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Exactly.

Mayor John Biggs AM (Chairman): On achieving 1,000, you seize control of the copyright, if you like, so that anyone can produce it?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Indeed.

Mayor John Biggs AM (Chairman): Not that anyone wants to produce it, but anyway.

Leon Daniels (Managing Director - Surface Transport, Transport for London): The principal thing is that it would allow us to take features of the design to other manufacturers and have them build it without any difficulty with Wrights. I do not want to overstate the intellectual property situation. There is more than one bit of intellectual property. When we get to 1,000, all of the issues relating to intellectual property fall away.

Mayor John Biggs AM (Chairman): Who owns that intellectual property at that point?

Leon Daniels (Managing Director - Surface Transport, Transport for London): We do. TfL does.

Mayor John Biggs AM (Chairman): You now have an award-winning bus that no one wants to build. That is quite an achievement.

Leon Daniels (Managing Director - Surface Transport, Transport for London): No, we have an award-winning bus that now anybody could build --

Mayor John Biggs AM (Chairman): Anyone can build it but it does not mean they want to. Anyway, that was very thoughtful.

Leon Daniels (Managing Director - Surface Transport, Transport for London): If I might just say in respect of the 1,000, it is subject to the actual requirement for buses in 2017. It is very possible that it might be 998 or 1,001. Who knows?

Mayor John Biggs AM (Chairman): Given that it is International Women's Day, we will have Jenny and then Richard, actually.

Leon Daniels (Managing Director - Surface Transport, Transport for London): I am wearing my '100 years of women in transport' badge.

Jenny Jones AM: That is perfectly fair. Women have come second so often in these last few generations. I have been on these buses quite a lot and they are deeply flawed as buses from a passenger's point of view. For example, there was a bar at the back door and, if you were more than 50 kilos, you could not get off. It was such a narrow opening.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Do you mean a vertical pole?

Jenny Jones AM: A vertical post. I have seen buses without those. You have removed that because it was a design flaw, was it not?

Leon Daniels (Managing Director - Surface Transport, Transport for London): If I could explain, on the buses that are used with customer assistants, with a crew of two, that pole has to be there because when both parts of the door are open and when there is an open platform, it forms - just like on the old Routemaster - a pole in the middle of the area. On the buses that will never be run with a crew of two, on the old design of door we have removed the pole entirely and on the latest version - from about 500-and-something upwards - the door itself, instead of folding inwards at the back, runs on the outside the bus. In both of those cases, all of the buses with a door that runs on the outside and some of the buses where the door folds to the inside, the vertical pole has been removed and there is a new handrail just to the left. Just to reiterate, on the buses that are used with a crew of two and where the whole platform can be opened, the pole is in the middle.

Jenny Jones AM: I do not know if you have ever tried to get off there, but a lot of us cannot get on and off there because it is so narrow.

Anyway, what about the fact that if you sit on the raised seats over the wheels you hit your head when you stand up? I hit my head and I am five-foot-two. Do you get many claims associated with that?

Leon Daniels (Managing Director - Surface Transport, Transport for London): None, as far as I am aware.

Jenny Jones AM: Any injuries?

Leon Daniels (Managing Director - Surface Transport, Transport for London): None at all.

Jenny Jones AM: I will report the next time, in that case, and complain.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Jenny, if I might just say as a general point - and I think I said this last time - the customer satisfaction ratings for all aspects of the New Routemaster are higher than for the rest of the fleet.

Jenny Jones AM: I can only say that you are using a very specific pool. For example, I have not complained yet but, now you mention it, I will.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Fine.

Jenny Jones AM: What was the good design? What was the good stuff that you have taken over and moved over to the new ones?

Leon Daniels (Managing Director - Surface Transport, Transport for London): There is a whole range of them. Firstly, there are the aesthetic features. There is the adding of more light to the saloon by having a window at the staircase. The ADL version of this has added much more glass at the rear to make that whole upstairs back area brighter and so it took its cue from that.

There is everything down to clever little technology like the bell-pushes. On a typical bus, for example, every bell-push is wired together and wired to the bus and wired to the bell and so on, but on the New Routemaster they are wireless and so a mile of wiring has been eliminated from the design. When the bell on a bus does not work it is a nuisance, but then somebody has to take the whole thing apart and go through masses of wiring in order to find the fault.

Mayor John Biggs AM (Chairman): I suddenly had this vision of a wireless bus and you press the button and it turns someone's shower on as you are driving past.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Yes, I could provide you with one, I suppose. You could stand in the street and press it and make the buses stop.

Mayor John Biggs AM (Chairman): Yes, you could do that.

Leon Daniels (Managing Director - Surface Transport, Transport for London): It goes from the very large aesthetic, more light, more friendly and nicer for the passenger ambience, right the way through to little details like that bell-push. I know it sounds silly, but you could have a bus off the road for a whole day while an electrician goes through miles of wiring - all of that wiring is inside the handrails and inside the coving panels - looking for the problem. Now they just take this little bell-push off and put another one on and it is done.

Mayor John Biggs AM (Chairman): It is done, ping. OK. Has there been a stampede of other bus builders, then, following this announcement from the Mayor and, if so, what ideas have they been stealing?

Leon Daniels (Managing Director - Surface Transport, Transport for London): The Mayor had all the bus manufacturers in. It was ADL and Wrights who have been the first to come to the party. I am not surprised by that because they are the principal suppliers of buses in the London market. They are the principal suppliers in the UK market. We have yet to see what other manufacturers may well bring forward. They will be making some decisions about the likely volumes and so on.

Jenny Jones AM: Just lastly, what about the supposedly 'clean' technology? That has not been upgraded at all.

Leon Daniels (Managing Director - Surface Transport, Transport for London): The latest New Routemaster is a Euro VI hybrid and Mike [Weston], as you know, is our expert in this. It would be fair to say that the particulate sorts of emissions that we get now out of a Euro VI hybrid bus are very low indeed. Since we are now talking about fractions of a decimal point, the improvements that are being made continuously are now right at the bottom of the scale. It is possible to make more improvements and the 'Son of Routemaster', if I can call it that, like the Wrights product, is --

Mayor John Biggs AM (Chairman): I do not think you can on International Women's Day, actually.

Leon Daniels (Managing Director - Surface Transport, Transport for London): OK. I mean the 'Daughter of Routemaster' - for example, the product being produced by Wrights, which very much resembles the New Routemaster but is on the Volvo B5LH platform - has even better emissions than the New Routemaster. However, as Mike will testify, the numbers involved are now very small. We are talking about point nought-nought-something to point nought-nought-something else.

Mike Weston (Director of Buses, Transport for London): Yes. Euro V to Euro VI is a step-change in emissions for all engines and the nitrogen oxides (NO_x) emissions and particulate matter (PM) come down dramatically. Effectively, what has happened is everything is congregated very closely together with very small numbers and so everything is, from an air quality point of view, now very clean with Euro VI.

Jennette Arnold OBE AM: Yes. It follows on because you brought up the idea of the features and how marvellous they are. To hear you talk, this is a bus without any complaints against it. However, the people I have spoken to who have campaigned for disability access and my constituents - and I have observed it going out with them - think that what they call the 'Borisbus' is the worst of all buses.

Have you taken their thoughts into consideration when you talk about sending this bus onwards as the best of its kind? It certainly would not get any stars from the disabled community in London. You must have picked that up. I find it surprising that you can be shouting the odds about it when, as Jenny [Jones AM] says, I believe it is one of the most uncomfortable and unbearable buses for people with a disability.

Mike Weston (Director of Buses, Transport for London): Very early on in the production, we picked up some issues and there were some modifications to the wheelchair bay and the position of the pole in the early prototypes to make it more accessible for wheelchair users. Given the volume of buses now in service, which is nearly 700, we are not getting a disproportionate number of complaints from wheelchair users about this bus in particular.

We have also improved the ramp. Vehicles from the 300th onwards now have a longer ramp and it is more shallow than on lots of other buses. The original batch of vehicles had the same ramp as most other buses. The 300th vehicle onwards has a longer ramp so that it is a lot more shallow when it is deployed. That is an improvement that has been made during production.

However, certainly at the moment we are not getting a disproportionate number of complaints. Most of the complaints relate, as I am sure you are aware, to buggy/wheelchair conflict in terms of use of the space and that is applicable to lots of --

Jenny Jones AM: That is because there is less space.

Jennette Arnold OBE AM: There is less space.

Jenny Jones AM: There is less space and so you have created conflict.

Mike Weston (Director of Buses, Transport for London): The wheelchair bay is substantially bigger than the legal requirement and is comparable to lots of other double-deck buses in the fleet.

Jennette Arnold OBE AM: OK. I would just say that, to hear Leon talk, it is the rosette winner of buses. Many of us –would not agree with that.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Jennette, let me answer that, if I may. What it has done is to catapult bus design in many areas - environmental, emissions, aesthetics, features - from where it was, which was a box on wheels produced by manufacturers with very little reference to any of the users, and it has catapulted it into something now that looks different. Whether you like it or not is a matter of taste, but it looks different. It has an iconic look about it. It has a lot of features

that are now transferable to other products. I am simply saying that it has accelerated the rate of progress that otherwise there would be.

Mayor John Biggs AM (Chairman): All right. Disabled access is not just about wheelchairs, obviously.

Leon Daniels (Managing Director - Surface Transport, Transport for London): No.

Mayor John Biggs AM (Chairman): It is about what you might colloquially call 'the walking wounded', people who have to go up and down steps in order to sit and find that very difficult with simple things like arthritis, which will catch up with most of us.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Indeed, the hearing loop arrangements for the deaf, for example, are superior --

Valerie Shawcross CBE AM: The Transport Committee is doing an investigation into hearing and visual loss. We did a site visit and we went around the route 24 bus. The problem with the hearing loop was that there was so much other electrical equipment in the bus that it did cause problems. They are getting white noise.

Mike Weston (Director of Buses, Transport for London): We are making a change in response to that.

Valerie Shawcross CBE AM: The general issue there is that the innovation has been at the cost, in a sense, of the reliability of the 'boring'.

Mike Weston (Director of Buses, Transport for London): Just very briefly on the hearing loop issue, those sorts of white noise issues are an issue for lots of buses. It is a general technology issue --

Valerie Shawcross CBE AM: It is worse on the New Bus --

Mike Weston (Director of Buses, Transport for London): -- which we are working with the manufacturers to resolve.

Valerie Shawcross CBE AM: -- because of all the electrics.

Richard Tracey AM: What is the size currently of the TfL bus fleet? How many in numbers, not specifically Routemasters?

Mike Weston (Director of Buses, Transport for London): About 9,100 vehicles of which just over two-thirds are double-decker.

Richard Tracey AM: In the process of coping with the growth of the population of London and the demands of commuters, inevitably, you have to have more and more buses. It seems to me that it is the absolute sheet anchor of the transport fleet in London, really.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Indeed, Richard, we are in two heavy years of double-decker bus requirements. We need about 700 new double-deckers in each of this and the next financial year. That is partially because of the demographics and the age profile of the fleet that we currently have and taking into account the requirements for the Ultra Low Emission Zone (ULEZ) in 2020. We are in the first two heavy years of needing some 700-odd double-deckers each year.

Richard Tracey AM: As you have been saying, this New Routemaster is a hybrid and it does certainly satisfy all of the necessary standards in coming down on pollution. Is that right?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Yes.

Richard Tracey AM: You will remember, both of you, I am sure, because you were both in post two years ago when the Transport Committee produced a report about buses in London. We did at that stage say that we believed TfL werenot growing the bus fleet at a sufficient rate because of the problems that we had encountered in various parts of London. I get the sense that you have been responding to that report now. Val [Shawcross CBE AM] will remember this report as well as I.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Yes. Whilst taking into account the Government's most recent [Comprehensive] Spending Review and the consequences for TfL's own budget, the details of which are not yet clear, we have been expanding the bus service where we have been able to do so. We have been, through the contract awards and through the New Routemaster programme, buying or getting the operators to buy as many new vehicles as is practical, taking into account the rate at which the fleet can absorb new vehicles, all our clean-air obligations in respect of various areas of London and looking at the ULEZ for 2020. All that is true.

Richard Tracey AM: How many buses do you think you will need in the fleet by 2020? That is the next population figure we are told about: 9 million people in London by 2020. What do you reckon your current fleet will need to grow by?

Mike Weston (Director of Buses, Transport for London): The current business plan assumes that the bus fleet would grow by 500 vehicles by 2021 to cope with the growth in usage, which would predominantly be in suburban London when there is higher density housing being put in and more residential being put in. That is where most of the growth would be.

Richard Tracey AM: We constantly hear the growth --

Mike Weston (Director of Buses, Transport for London): Yes, that is where the pressure is.

Richard Tracey AM: Leon and I, as I remember, had an exchange fairly recently about the orbital buses.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Indeed.

Richard Tracey AM: You very kindly sent me a map to prove that you have far more orbital buses than you had eight years ago. Really, inevitably, you are going to need more double-deckers and the logical purchase is the New Routemaster at the moment.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Richard, just to confirm, since it is a continuous process, the speed of technology is such that it would be unwise to assume that the current New Routemaster would satisfy our needs for the next five or ten years for new purchases. Already, as we have described, the next generation of vehicles, which takes its design cues and features from it, is coming to the market. The speed of technology is just so great. We want to harness all of the advantages and move with the times.

Valerie Shawcross CBE AM: Leon, this morning you have given us quite a few figures and cost information that we have not had before. Did you provide the Board with a refreshed business case before the order went in?

Leon Daniels (Managing Director - Surface Transport, Transport for London): No, the revised business case was not available at the time of the Board meeting because we were making sure that the figures were independently validated and so there was an external validation of the business case. Of course, the Board's decision gave us authority, if you like, to conclude the negotiations. The negotiations were sufficiently advanced for us to come to that Board, but at that stage we did not have a final set of terms and conditions. The Board authority was for us to finish the job and get on with it.

Valerie Shawcross CBE AM: Is there a sort of retrospective business case that we could lay our hands on?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Yes, there is.

Valerie Shawcross CBE AM: That would be helpful. Did you in that then calculate what the current cost-benefit ratio of buying the New Routemasters is compared to --

Leon Daniels (Managing Director - Surface Transport, Transport for London): We did update the financial business case.

Mike Weston (Director of Buses, Transport for London): Yes.

Valerie Shawcross CBE AM: You did update it compared to the other Euro VI --

Mike Weston (Director of Buses, Transport for London): We can send a copy of that through.

Leon Daniels (Managing Director - Surface Transport, Transport for London): We can provide that, yes.

Valerie Shawcross CBE AM: You have mentioned your strategy for the future. Can you talk a little bit more about that? What advice would you be giving the new Mayor about further orders of the New Routemaster, then?

Leon Daniels (Managing Director - Surface Transport, Transport for London): As at today's date, my advice to a new Mayor would be that there is no further need to order --

Mayor John Biggs AM (Chairman): We have heard this before.

Leon Daniels (Managing Director - Surface Transport, Transport for London): No, last time I said we had no plans to do so.

Jennette Arnold OBE AM: Perhaps you pre-empted it.

Leon Daniels (Managing Director - Surface Transport, Transport for London): This time the question is what I would say to the new Mayor today. I would say to the new Mayor today that we have a continuous delivery of New Routemasters through now until 2017. The next generation of suitable buses for London is coming to the market. Therefore, the right thing to do is to revert to the original arrangement that we have

typically in London, which is where the private sector buys the buses and takes the risk on the commercial negotiations in terms of the price, the operating cost and the value at disposal. My advice would be that TfL should in the future step out of owning the bus fleets. The only reason we have owned this particular bus fleet is because there is not a residual market for three-door, two-staircase buses. Therefore, since there is a risk at the end of the contract period that the contract might be lost, operators might be stuck with some three-door, two-staircase buses that have no further use and would add back to the contract price the risk associated with that and that would be expensive for us. In the case of these vehicles where there is no ready second-hand market, we have owned them. In normal business, I would prefer if the private sector took that risk and that is what I would be advising a new Mayor to do after the delivery of these.

Valerie Shawcross CBE AM: Does that imply that there are some major features of the existing New Routemaster that basically will have to go? To pass from direct ownership back to an operator leasing arrangement does imply that the operators would need to be able necessarily to sell them on to the rest of the country – or Malta or somewhere. What would be the key features that would be dumped in the next New Routemaster?

Leon Daniels (Managing Director - Surface Transport, Transport for London): I am sorry I did not make that clear earlier. The next generation, the 'Daughter of New Routemaster', would be a two-door, one-staircase bus of a similar layout to the conventional double-decker bus. We would not need after this order any more three-door, two-staircase buses because those are the sorts of buses we deploy on very busy routes with large numbers boarding and alighting --

Valerie Shawcross CBE AM: Part of your specification would be, then, that it would resalable to take part in the ordinary market for --

Leon Daniels (Managing Director - Surface Transport, Transport for London): No, what we would say is that the future requirement is for two-door, one-staircase double-deckers because that is the next sort of bus we need in London. By definition, because it is a one-staircase, two-door bus, it is readily resalable in the second-hand market outside London.

Valerie Shawcross CBE AM: Nobody else has or would be looking at purchasing that particular configuration?

Leon Daniels (Managing Director - Surface Transport, Transport for London): The three-door, two-staircase, no. As I said, outside London, there is almost nowhere. In a suburban city, typically, where the distances are the distances, passengers get on in the suburbs in the morning and get off in the city and in the evening they get on in the city and get off in the suburbs. In London, by virtue of our size and our density, we have a large number of people boarding and alighting simultaneously.

Mayor John Biggs AM (Chairman): There are plenty of large Chinese cities, American cities, although of course the Americans do not like buses very much --

Valerie Shawcross CBE AM: They have nice grid patterns in their cities.

Mayor John Biggs AM (Chairman): South American cities and South Asian cities that have the sorts of densities of passengers that might suit it and yet none of them want it.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Quite a number of cities want a new bus for their city. I did not say that they want our New Bus for their city, but quite a number of cities want a new bus for their city. We have had a number of cities come to us and ask us about how we went through the process of specifying a bus especially for us.

Mayor John Biggs AM (Chairman): All right, but none of them have asked for a three-door, two-staircase bus?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Actually, they have but, if I could just be clear, most world cities are not looking to buy second-hand castoffs from somewhere else.

Valerie Shawcross CBE AM: They want new ones.

Leon Daniels (Managing Director - Surface Transport, Transport for London): They are looking to buy new and, in many cases, they are looking to solidify at least some of the content and construction bid locally.

Mayor John Biggs AM (Chairman): Wrightbus could become a world leader.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Wrightbus is, of course, a world leader, as is ADL.

Mayor John Biggs AM (Chairman): It cannot be a world leader if there is only one country buying its products.

Leon Daniels (Managing Director - Surface Transport, Transport for London): No, that is not true. It sells a very large number of buses in Hong Kong and a very large number of buses in Singapore. It builds buses overseas itself. It builds buses and it has overseas factories.

Valerie Shawcross CBE AM: This was like a craft, bespoke product, was it not?

Leon Daniels (Managing Director - Surface Transport, Transport for London): For London, yes.

Valerie Shawcross CBE AM: Yes, for London. One of the unspoken things in all of this is what the Government's view is. We have observed how important it has been in Northern Ireland that this contract was placed and has continued. Has there been any element of the Government pressuring or asking TfL or the Mayor to support this for wider economic reasons, which I am actually not going to criticise? However, if there is a factor, we ought to know about that because that is that an extra cost to TfL, is it not?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Sure. There has certainly been no inappropriate pressure from the Government, Ministers, Members of Parliament --

Valerie Shawcross CBE AM: Has there been appropriate pressure?

Leon Daniels (Managing Director - Surface Transport, Transport for London): There has been no inappropriate pressure to place this order. There has not, surprisingly, been --

Valerie Shawcross CBE AM: Has there been any appropriate encouragement?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Not surprisingly, those people who represent the people of Northern Ireland and those people who represent commerce in Northern Ireland have been keen to support anything that would produce orders in their area. That is true for Scotland where ADL makes vehicles and it is true for Northern Ireland where Wrightbus builds vehicles. Of course, there are people keen.

However, I would say this. When I was in Northern Ireland last Monday as a consequence of this announcement of this particular order - which, just to point out, is for a price considerably lower than we paid previously and very close to the price for a normal vehicle - I went to some of the sub-assembly providers. I would just say that there are people, for example, in North Antrim who every working day drive their cars 30 minutes from their homes to a hangar on an industrial estate and spend eight hours making plastic extrusions. The order book, typically, has two to three weeks' worth of work. In that particular part of Northern Ireland, there has been a significant worsening in employment for skills. A number of major employers such as Michelin have left the area. As is always the case, when major employers in manufacturing close down their factories, not only is there an increase in unemployment but there is a worsening in everything from the co-op to the post office in terms of business.

When I was there last Monday and met some people who work in these factories, who have only two to three weeks' worth of work, and the look on their faces because we had brought them an order that guarantees work in those not terribly nice and very primitive factories in an area of high unemployment, where young people have great difficulty getting into employment and learning the necessary skills, and we had brought them a guarantee of more manufacturing work, more apprenticeships and more investment in equipment until September 2017, there was a look of gratitude in the eyes of those people that I would find hard to describe in writing.

Valerie Shawcross CBE AM: That is very pleasing. I would just say that if the Government wants TfL to help with regional aid like that then it should actually stump up. Maybe that will hit issues of state aid and it is good that TfL is supporting other parts of this country, but it would also be helpful if the Government recognised London's contribution in that way.

Leon Daniels (Managing Director - Surface Transport, Transport for London): I would agree entirely.

Stephen Knight AM (Deputy Chair): In the interests of transparency, is it now time that the original six tender documents from 2009 by the manufacturers tendering for this bus were published, together with TfL's scoring of those tenders?

Leon Daniels (Managing Director - Surface Transport, Transport for London): Am I right in thinking that you have made a Freedom of Information request for that?

Stephen Knight AM (Deputy Chair): My office certainly has, yes.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Indeed so.

Stephen Knight AM (Deputy Chair): We have been told that you are thinking about it and will come back to us by the end of the month but --

Leon Daniels (Managing Director - Surface Transport, Transport for London): Indeed so. There we are. Good.

Mayor John Biggs AM (Chairman): That is your answer?

Stephen Knight AM (Deputy Chair): Is there really a justification for not publishing those?

Leon Daniels (Managing Director - Surface Transport, Transport for London): In the interests of transparency, I can think of no reason not to release at least some, if not all, of that information. There may be some issues of commercial confidentiality of which I am not aware, but we will produce whatever legally we can produce, gladly. That is underway, Mike, is it not?

Mike Weston (Director of Buses, Transport for London): Yes, that is underway and is just going through internal review.

Jenny Jones AM: It started me thinking about when you are talking to the next Mayor. How are you going to explain that 300 of your fleet of new buses cannot legally go into the ULEZ? How do you explain that?

Leon Daniels (Managing Director - Surface Transport, Transport for London): They can all go into the ULEZ.

Jenny Jones AM: Only with dispensations because 300 of them are Euro V and really should not be in that zone.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Sure. Again, I am going to rely on Mike for his technical knowledge, but Euro V of course is a minimum standard, as is Euro VI. The actual emissions from the Euro V New Routemasters are such at the top end of the Euro V scale that the difference between their actual emissions and the minimum standard for Euro VI is so small that, frankly, the cost of converting them would be a waste of taxpayers' money. The difference is so small. TfL is well placed to make the trade-off on behalf of the taxpayer for what double-digit millions would buy in air quality terms. Mike has the detail of this, but the difference between the actual Euro V emissions of a New Routemaster and the minimum Euro VI standard is so small that it just would not be good value.

Mike Weston (Director of Buses, Transport for London): There are other --

Jenny Jones AM: It is still more polluting --

Mike Weston (Director of Buses, Transport for London): Yes, they are a lot cleaner than other Euro V hybrids and, from the work we have done so far, we would be better off spending the money if we had it available upgrading other vehicles in inner-outer London than upgrading those to get a marginal benefit in emissions.

Mayor John Biggs AM (Chairman): All right. We have been around the block on this question before and it is a scab that our successors can pick at if they choose to. They may well choose to. I am very grateful for your answers.

I quite like them, with the caveat that when I am old and arthritic I may have trouble doing anything other than look at them since I would have to try to get up over the wheel arches to get into the seats.

Jenny Jones AM: They are dreadful. It is a vanity project.

Mayor John Biggs AM (Chairman): There are things like their use of plastics and the elimination of a gearbox, which means you can stick the engine wherever you like and so on, which are quite innovative, I guess. There we are. Thank you very much for coming and have a lovely day.

Leon Daniels (Managing Director - Surface Transport, Transport for London): Thank you very much indeed.

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